

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 00890 221028Z

46

ACTION TRSE-00

INFO OCT-01 EUR-25 EA-11 ISO-00 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20

STR-08 CEA-02 L-03 H-03 PRS-01 PA-04 USIA-15 DODE-00

PM-07 AGR-20 INT-08 FEA-02 DRC-01 /217 W

----- 045618

R 220730Z JAN 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9412

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USEC MISSION BRUSSELS

USOECD MISSION PARS

UNCLAS TOKYO 0890

E.O. 11652: N/A

TAGS: EFIN, JA

SUBUECT: JAPAN'S BALANCE OF PAYMENTS IN DEC -- PROVISIONAL

PASS TREASURY AND FEDERAL RESERVE

SUMMARY: TRADE POSITION IMPROVED DURING DEC AND CURRENT

ACCOUNT MOVED BACK INTO SMALL SURPLUS. NET LONG-TERM

CAPITAL OUTFLOWS REACHED HIGH FOR YEAR OF \$1.2 BIL.

DEFICIT ON BASIC BALANCE LITTLE CHANGED AT \$1.2 BIL

BUT SHORT-TERM NON-BANK OUTFLOWS DOWN SHARPLY SO THAT

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 00890 221028Z

OVERALL DEFICIT DOWN FROM \$1.7 BIL TO \$1.2 BIL. OVERALL

DEFICIT PARTIALLY FINANCED BY \$170 MIL SHORT-TERM BANK BORROWING FROM ABROAD AND OFFICIAL SETTLEMENTS DEFICIT OF \$950 MIL. ON SEASONALLY ADJUSTED BASIS, BOTH TRADE AND CURRENT ACCOUNT POSITION WORSENEO SIGNIFICANTLY, EACH MOVING INTO DEFICIT.

1. IN DEC CURRENT ACCOUNT MOVED INTO SURPLUS OF \$50 MIL FROM DEFICIT OF \$44 MIL RECORDED IN NOV. TRADE SURPLUS OF \$570 MIL INCREASED SUBSTANTIALLY FROM \$377 MIL SURPLUS IN NOV. EXPORTS FROM MONTH OF DEC WERE UP 25 PERCENT (YEAR OVER YEAR) WHEREAS IMPORTS WERE UP 79 PERCENT. OUTFLOWS OF LONG-TERM CAPITAL INCREASED TO RECORD LEVEL OF \$1,220 MIL FROM \$1,091 MIL IN NOV. LARGE LEVEL OF NET LONG-TERM CAPITAL OUTFLOWS FOR SECOND MONTH IN ROW CAUSED PRIMARILY BY HEAVY DIRECT INVESTMENT OUTFLOWS, BANK LENDING ABROAD, AND SIGNIFICANTLY HIGH LEVELS OF FOREIGN PORTFOLIO DISINVESTMENT.

2. ON SEASONALLY ADJUSTED BASIS, CURRENT ACCOUNT DEFICIT IN DEC WAS \$672 MIL (COMPARED TO NOV SURPLUS OF \$124 MIL), INCLUDING TRADE DEFICIT OF \$152 MIL (NOV SURPLUS OF \$545 MIL). SEASONALLY ADJUSTED EXPORTS \$3,313 MIL (NOV \$3,598 MIL), DOWN 7.9 PERCENT FROM PRECEDING MONTH, THIS DECREASE DUE PRIMARILY TO UNUSUALLY HEAVY EXPORTS RECORDED IN NOV AS WELL AS FALLOFF IN SHIP EXPORTS DURING DEC (NOV \$580 MIL; DEC \$300 MIL). IMPORTS WERE \$3,465 MIL (NOV \$3,053 MIL), UP 13.5 PERCENT.

3. PROVISIONAL UNADJUSTED JAPANESE BALANCE OF PAYMENTS IN DEC IN MIL DOLLARS (DEC 72 DATA IN PAREN): OVERALL BALANCE MINUS 1,180 (PLUS 202); EXPORTS 4,090 (UP 25.1 PERCENT FROM 3,269); IMPORTS F.O.B. 3,520 (UP 78.7 PERCENT FROM 1,970); SERVICES AND TRANSFERS COMBINED MINUS 520 (MINUS 129); LONG-TERM CAPITAL MINUS 1,220 (MINUS 899); SHORT-TERM NONMONETARY CAPITAL AND ERRORS AND OMISSIONS MINUS 10 (MINUS 69). RATE OF EXCHANGE USED FOR DEC WAS 280.00 PER DOLLAR AND FOR NOV 277.19 PER DOLLAR.

4. FOLLOWING ARE PRELIMINARY UNADJUSTED BALANCE OF UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 00890 221028Z

PAYMENTS TOTALS FOR CY 1973 IN MIL DOLLARS (CY 1972 DATA IN PAREN): EXPORTS 36,152 (UP 28.8 PERCENT FROM 28,032); IMPORTS 32,344 (UP 69.7 PERCENT FROM 19,061); TRADE BALANCE PLUS 3,808 (PLUS 8,971); CURRENT ACCOUNT PLUS 1 (PLUS 6,624); LONG-TERM CAPITAL MINUS 9,684 (MINUS 4,487); BASIC BALANCE MINUS 9,683 (PLUS 2,137); SHORT-TERM NONMONETARY CAPITAL AND ERRORS AND OMISSIONS MINUS 5,387 (PLUS 2,604); OVERALL BALANCE MINUS 10,071

(PLUS 4,741); COMMERCIAL BANK SHORT-TERM FINANCING PLUS
3,970 (PLUS 1,979); OFFICIAL SETTLEMENTS BALANCE MINUS
6,041 (PLUS 2,762).

5. FINANCING OF OVERALL DEFICIT IN DEC (NOV DATA IN
PAREN) AS FOLLOWS: COMMERCIAL BANKS NET SHORT-TERM
BORROWING ABROAD \$170 MIL (\$846 MIL); OFFICIAL ACCOUNTS
REDUCTION IN NET ASSETS \$1,010 MIL (\$865 MIL); PUBLISHED
OFFICIAL RESERVES DOWN \$950 MIL IN DEC TO \$12,246 MIL.
GOLD AND FOREIGN EXCHANGE TOTALED \$11,094 MIL, GOLD
TRANCHE \$639 MIL, AND SDR'S \$513 MIL.

6. PRELIMINARY CUSTOMS DATA FIGURES ARE PRESENTED AS
USUAL IN DOLLARS. HOWEVER, RATE OF EXCHANGE USED FOR
DEC 73 WAS 279.93 PER DOLLAR FOR EXPORTS AND 279.92 FOR
IMPORTS. PRELIMINARY CUSTOMS DATA SHOW GLOBAL EXPORTS
\$4,163 MIL (YEN 1,165,210 MIL) UP 25.0 PERCENT AND IMPORTS
\$4,155 MIL (YEN 1,162,939 MIL) UP 75.9 PERCENT FROM YEAR
AGO. TOTAL EXPORTS TO U.S. IN MIL DOLLARS 995.7, UP
10.0 PERCENT FROM DEC 72. IMPORTS FROM U.S. 982.3,
UP 67.1 PERCENT.

7 PU. BY SPECIAL CLASSIFICATION, GLOBAL IMPORTS OF
AGRICULTURAL GOODS UP 68.5 PERCENT FROM DEC 72, CONSUMER
NONDURABLES UP 212.0 PERCENT, CONSUMER DURABLES UP 47.6
PERCENT, INDUSTRIAL SUPPLIES UP 78.7 PERCENT, AND
CAPITAL EQUIPMENT UP 58.8 PERCENT. IMPORTS OF IRON
E E E E E E E

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS, CAPITAL FLOWS, BALANCE OF PAYMENTS DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO00890
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740123/aaaaavrr.tel
Line Count: 136
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 28 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 FEB 2002 by chappeld>; APPROVED <22 APR 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECT: JAPAN'S BALANCE OF PAYMENTS IN DEC -- PROVISIONAL PASS TREASURY AND FEDERAL RESERVE
TAGS: EFIN, JA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005